

REGISTERED CHARITY NUMBER: 326944

REPORT OF THE TRUSTEES AND
FINANCIAL ACTIVITIES FOR THE 31ST MARCH 2023
FOR THE LYNN FOUNDATION

THE LYNN FOUNDATION

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THE LYNN FOUNDATION

INFORMATION AND ADMINISTRATIVE INFORMATION

Registered Charity Number

326944

Principal Address

The Granary
Calceto Lane
Lyminster
West Sussex
BN17 7QL

Trustees

I D Fair - Chair
J F Emmott
P Parsons
J Sykes

Independent Examiner

P Noakes, FCCA, FAIA
88 St. Lawrence Avenue
Worthing
West Sussex
BN14 7JL

Investment Managers

BNY Mellon
160 Queen Victoria Street
London
EC4V 4LA

Brewin Dolphin
12 Smithfield Street
London
EC1A 9LA

THE LYNN FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2023

The Trustees present their report with the financial statements of the charity for the year ended 31st March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and activities for the public benefit

The two key objectives of the charity are to invest the Foundation's capital and to effectively make grants.

Through the financial year, the Foundation has implemented its plan in partnering the Sussex Community Foundation (SCF) through an initial grant of £200,000. The SCF has an effective grant making process using a combination of employed professionals, backed by a Grant making committee consisting of active Trustees. This enables the Lynn Foundation to operate an efficient and effective grant making strategy at minimal cost.

Grantmaking

As described above, grant making policy to achieve its objects for the public benefit is achieved by working in partnership with SCF.

In addition, the Trustees can continue to make other grants to registered charities where 2 or more Trustees agree and each Trustee has the authorisation to make up to £2,000 in grants in each month.

ACHIEVEMENT AND PERFORMANCE

For this financial year grant making was as follows:

Sussex Community Foundation - £200,000
Spear Brighton - £10,000
Other - £7,190

FINANCIAL REVIEW

Investment and objectives

After the decision taken by the Trustees at a meeting on 17th November 2019 to move from an execution only to a discretionary account, the Foundation's investments in Securities other than the Newton Fund were completely restructured by our Fund Manager at Brewin Dolphin. This has enabled the Foundation to diversify away from a UK centric portfolio to a globally structured portfolio but with a much lower income yield with an agreed target of 3%. The objective is to create a total return of around 7% per annum over the long term.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2023

Financial position

For this financial year the salient points to the accounts were:

1. Income

Income has increased this year to £207,842 (2022 - £201,774). This was due to rebalancing the Foundation's portfolio to be targeting total return rather than maximising income.

2. Grants

The Foundation made Grants of £217,190 (2022 - £171,350) which were considerably higher than last year.

3. Costs

Costs of £247,294 (2022 - £205,929) are significantly up on last year due to an increase in grant expenditure.

Due to the decline in global stock markets, net assets have decreased through the year and now stand at £7,159,529 which is a decrease of £325,479 from the prior year.

Reserves Policy

Net Assets at the Foundation's year end stood at £7,159,529. The Foundation is not actually committed to any spending having no fixed costs. The Foundation averages a monthly income of over £17,000 and therefore the Trustees have no concerns over the reserves.

FUTURE PLANS

The Foundation has taken the decision to continue the partnership with the Sussex Community Foundation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Lynn Foundation was established by Deed dated 8th August 1985. It is a trust and additional Trustees must be voted on unanimously by the existing Trustees.

At the annual trustees' meetings, the trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves and risk management policies and performance. The day to day administration is handled primarily by the Trustee with the help from the other trustees.

All Trustees provide their services at no cost to the Foundation other than expenses. There are no paid staff.

Induction and training of new trustees

On appointment a new trustee completes a "register of interest" and receives appropriate induction. Further training needs are met on an ad hoc basis when a need is identified.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2023

Risk management

The major risks to the charity come from investing its capital and from inadvertently making inappropriate grants.

The guidelines to mitigate risk endorsed by all Trustees for investment, is to use professional fund managers and one global fund - the Newton Growth & Income Fund for Charities with an objective of achieving around 3% income on the capital. Investment policy is determined by the Chairman and approved by all of the Trustees. The Foundation takes a long-term view on investment and accepts that markets are volatile in the short to medium term.

The guidelines to mitigate risk in making inappropriate grants has been by keeping the grants small and making grants to registered charities. In future, this will be replaced by using the professional grant making skill of the Sussex Community Foundation.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the year end is given in the notes to the financial statements if relevant.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare their financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 23rd January 2024 and signed on their behalf by:

P Parsons

J Sykes

P Parsons - Trustee

J Sykes - Trustee

REPORT OF THE INDEPENDENT EXAMINER TO THE MEMBERS OF THE LYNN FOUNDATION

Independent examiner's report to the trustees of The Lynn Foundation.

I report to the trustees on my examination of the accounts of The Lynn Foundation for the year ended 31st March 2023.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

P Noakes

Paul Noakes
88 St. Lawrence Avenue
Worthing
West Sussex
BN14 7JL

Dated: 23rd January 2024

THE LYNN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2023

	2023 Unrestricted Funds £	2022 Total Funds £
INCOMING RESOURCES		
Income and endowments from:		
Investment income	200,423	199,274
Other income	<u>7,419</u>	<u>2,500</u>
Total incoming resources	<u>207,842</u>	<u>201,774</u>
 RESOURCES EXPENDED		
Raising funds	28,203	29,325
Charitable activities	217,571	171,490
Governance costs	0	3,600
Support costs	<u>1,520</u>	<u>1,514</u>
Total resources expended	<u>247,294</u>	<u>205,929</u>
 Net gains/(losses) on investments	<u>(286,027)</u>	<u>409,363</u>
 NET INCOMING/(OUTGOING) RESOURCES	 (325,479)	 405,208
 RECONCILIATION OF FUNDS		
 Total funds brought forward	 7,485,008	 7,079,800
 TOTAL FUNDS CARRIED FORWARD	 <u><u>7,159,529</u></u>	 <u><u>7,485,008</u></u>

THE LYNN FOUNDATION

BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2023

	Notes	2023 Unrestricted Funds £	2022 Total Funds £
FIXED ASSETS			
Investments	2	6,822,841	7,058,921
CURRENT ASSETS			
Debtors: falling due within one year	3	15,119	16,176
Cash at bank		323,069	415,013
		<u>338,188</u>	<u>431,189</u>
CREDITORS			
Falling due within one year	4	(1,500)	(5,102)
NET CURRENT ASSETS		<u>336,688</u>	<u>426,087</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,159,529	7,485,008
NET ASSETS		<u>7,159,529</u>	<u>7,485,008</u>
FUNDS			
Unrestricted funds	5	7,159,529	7,485,008
TOTAL FUNDS		<u>7,159,529</u>	<u>7,485,008</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23rd January 2024 and were signed on its behalf by:

P Parsons

J Sykes

P Parsons - Trustee

J B Sykes - Trustee

THE LYNN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102), Financial Reporting Standard 102 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is possible that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments which are recorded at transaction value and subsequently measured at their settlement value. Cash and cash equivalents comprise of cash at bank and in hand.

THE LYNN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1 ACCOUNTING POLICIES

Fixed asset investments

Fixed asset investments are made up of holdings in various unit trusts, bonds and equities. Investments are initially recognised at their historical cost and are subsequently recognised at fair value. Fair value is calculated based on the monthly valuation reports by the investment managers.

Gains and losses are recognised in the Statement of Financial Activities. All gains or losses are included in unrestricted funds. An impairment review is conducted with an impairment recognised when the market value of an investment is lower than its original purchase cost as at the year end.

2 FIXED ASSET INVESTMENTS

	Listed Investments £
MARKET VALUE	
At 1st April 2022	7,058,921
Additions	354,955
Disposals	(331,846)
Revaluations	156,544
Impairments	(415,733)
At 31st March 2023	<u>6,822,841</u>
NET BOOK VALUE	
At 31st March 2023	<u>6,822,841</u>
At 31st March 2022	<u>7,058,921</u>

Cost or valuation at 31st March 2023 is represented by:

	Listed Investments £
Cost	5,313,638
Valuation in 2022 and before	1,768,392
Valuation in 2023	<u>(259,189)</u>
	<u>6,822,841</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

3 DEBTORS: FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other debtors	1,000	1,000
Prepayments and accrued income	14,119	15,176
	<u>15,119</u>	<u>16,176</u>

4 CREDITORS: FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other creditors	1,500	5,102
	<u>1,500</u>	<u>5,102</u>

5 MOVEMENT IN FUNDS

	2023	2022
	£	£
Unrestricted funds		
At 1st April 2022	7,485,008	7,079,800
Net movement in funds	(325,479)	405,208
At 31st March 2023	<u>7,159,529</u>	<u>7,485,008</u>

Net movement in funds, included in the above are as follows:

		2023	2022
		£	£
Unrestricted funds			
General fund:	Incoming resources	207,842	201,774
	Resources expenses	(247,294)	(205,929)
	Gains and losses	(286,027)	409,363
	Movement in funds	<u>(325,479)</u>	<u>405,208</u>

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DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2023

	2023 Unrestricted Funds £	2022 Total Funds £
INCOMING RESOURCES		
Income and endowments from:		
Dividends received	195,536	199,274
Interest receivable	4,887	0
	<u>200,423</u>	<u>199,274</u>
Other income		
Income from class action	7,419	2,500
Total incoming resources	<u><u>207,842</u></u>	<u><u>201,774</u></u>
 RESOURCES EXPENDED		
Investment management costs		
Portfolio management	28,203	29,325
Charitable activities		
Administration and meeting costs	381	140
Grants to individuals	217,190	171,350
	<u>217,571</u>	<u>171,490</u>
Governance costs		
Audit costs	0	3,600
Support costs		
Bank fees	20	14
Accountancy and professional fees	1,500	1,500
	<u>1,520</u>	<u>1,514</u>
 Total resources expended	<u><u>247,294</u></u>	<u><u>205,929</u></u>
 Net income/(expenditure) before gains and losses	(39,452)	(4,155)
 Net gains/(losses) on fixed asset investments	(286,027)	409,363
 NET INCOMING/(OUTGOING) RESOURCES	<u><u>(325,479)</u></u>	<u><u>405,208</u></u>

This page does not form part of the statutory financial statements